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## PROGRAM NARRATIVE

475 ND MILL AND ELEVATOR ASSOCIATION

Date: 12/13/2006

Time: 12:06:13

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<b>Program:</b> FLOUR MILL AND GRAIN TERMINAL OPERATIONS
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<b>Reporting Level:</b> 00-475-100-00-00-00-00000000
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## PROGRAM PERFORMANCE MEASURES

The North Dakota Mill:

1. seeks to be the leader in quality and service for the milling industry
2. manufactures flour to bakery specifications from hard red spring wheat
3. manufactures durum flour and semolina to pasta manufacturer's specifications from hard amber durum
4. seeks to develop new, value added products to enhance the growth and profitability of the North Dakota Mill

## PROGRAM STATISTICAL DATA

The North Dakota Mill:

1. purchases and mills 20,000,000 bushels of spring wheat and durum
2. produces and sells 10,000,000 hundred weights of finished product of which approximately 70% is bulk and 30% is bagged
3. will provide employment for approximately 131 people

## EXPLANATION OF PROGRAM COSTS

A major part of the budget is wages and benefits for the 131 employees to mill 20,000,000 bushels of grain into 10,000,000 hundred weights of flour and semolina. Costs of repairs and operating supplies are those required to keep the terminal and mill running at peak efficiency. Utilities are the next largest expense category. Electrical usage is high as several motors of various sizes are used in running the terminal and mill. Other expense includes advertising and promotion expense, data processing expense, interest expense, insurance, communications, employee expense, and postage. Agriculture promotion is money spent on general promotion that is not tied specifically to mill products. All funds are generated through operations, and if necessary bank loans are used. No General Funds are required.

## PROGRAM GOALS AND OBJECTIVES

The North Dakota Mill will:

1. purchase and mill 20,000,000 bushels per year of North Dakota grown spring and durum wheat.
2. realize profits in order to maintain the facilities in top operating condition.
3. return a portion of the profits to the General Fund.

**REQUEST DETAIL BY PROGRAM**

475 ND MILL AND ELEVATOR ASSOCIATION

Bill#: HB 1014

Date: 12/13/2006

Time: 12:06:13

Biennium: 2007-2009

Program: FLOUR MILL AND GRAIN TERMINAL OPERATIONS		Reporting Level: 00-475-100-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009
<b>SALARIES AND WAGES</b>					
SALARIES - PERMANENT	10,581,787	10,768,261	-602,328	10,165,933	0
SALARIES - OTHER	1,182,695	3,058,272	-1,904,272	1,154,000	0
TEMPORARY SALARIES	0	0	429,600	429,600	0
OVERTIME	0	0	3,922,904	3,922,904	0
FRINGE BENEFITS	3,322,581	3,505,858	547,440	4,053,298	0
<b>TOTAL</b>	<b>15,087,063</b>	<b>17,332,391</b>	<b>2,393,344</b>	<b>19,725,735</b>	<b>0</b>
<b>SALARIES AND WAGES</b>					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	15,087,063	17,332,391	2,393,344	19,725,735	0
<b>TOTAL</b>	<b>15,087,063</b>	<b>17,332,391</b>	<b>2,393,344</b>	<b>19,725,735</b>	<b>0</b>
<b>OPERATING EXPENSES</b>					
TRAVEL	341,649	389,500	152,900	542,400	0
SUPPLIES - IT SOFTWARE	53,367	90,000	7,300	97,300	0
SUPPLY/MATERIAL-PROFESSIONAL	177,453	292,156	17,800	309,956	0
MISCELLANEOUS SUPPLIES	1,048,481	1,400,156	160,500	1,560,656	0
OFFICE SUPPLIES	61,687	74,400	3,100	77,500	0
POSTAGE	73,518	84,800	16,500	101,300	0
IT EQUIP UNDER \$5,000	51,532	66,448	5,400	71,848	0
OTHER EQUIP UNDER \$5,000	0	0	0	0	0
UTILITIES	2,919,141	3,745,939	1,358,900	5,104,839	0
INSURANCE	1,161,173	2,162,641	-625,641	1,537,000	0
RENTALS/LEASES - BLDG/LAND	7,600	40,000	-40,000	0	0
REPAIRS	3,747,156	4,199,164	212,500	4,411,664	0
IT-COMMUNICATIONS	143,378	180,500	14,500	195,000	0
IT CONTRACTUAL SERVICES AND RE	66,127	62,450	41,200	103,650	0
PROFESSIONAL DEVELOPMENT	118,855	140,149	24,200	164,349	0
OPERATING FEES AND SERVICES	805,909	1,859,529	-52,600	1,806,929	0
FEES - PROFESSIONAL SERVICES	83,905	171,181	7,000	178,181	0
<b>TOTAL</b>	<b>10,860,931</b>	<b>14,959,013</b>	<b>1,303,559</b>	<b>16,262,572</b>	<b>0</b>

**REQUEST DETAIL BY PROGRAM**

475 ND MILL AND ELEVATOR ASSOCIATION

Biennium: 2007-2009

Bill#: HB 1014

Date: 12/13/2006

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Program: FLOUR MILL AND GRAIN TERMINAL OPERATIONS		Reporting Level: 00-475-100-00-00-00-00000000			
Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Request 2007-2009

**OPERATING EXPENSES**

GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	10,860,931	14,959,013	1,303,559	16,262,572	0
<b>TOTAL</b>	<b>10,860,931</b>	<b>14,959,013</b>	<b>1,303,559</b>	<b>16,262,572</b>	<b>0</b>

**SPECIAL LINES**

AGRICULTURE PROMOTION	50,000	250,000	-100,000	150,000	0
CONTINGENCY	13,995	300,000	0	300,000	0
<b>TOTAL</b>	<b>63,995</b>	<b>550,000</b>	<b>-100,000</b>	<b>450,000</b>	<b>0</b>

**SPECIAL LINES**

GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	63,995	550,000	-100,000	450,000	0
<b>TOTAL</b>	<b>63,995</b>	<b>550,000</b>	<b>-100,000</b>	<b>450,000</b>	<b>0</b>

**PROGRAM FUNDING SOURCES**

GENERAL FUND	0	0	0	0	0
SPECIAL FUNDS	26,011,989	32,841,404	3,596,903	36,438,307	0
FEDERAL FUNDS	0	0	0	0	0
<b>PROGRAM FUNDING TOTAL</b>	<b>26,011,989</b>	<b>32,841,404</b>	<b>3,596,903</b>	<b>36,438,307</b>	<b>0</b>

**FTE EMPLOYEES**

<b>125.00</b>	<b>127.00</b>	<b>4.00</b>	<b>131.00</b>	<b>.00</b>
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**FUNDING DETAIL****SPECIAL FUNDS**

475 MILL AND ELEVATOR	26,011,989	32,841,404	3,596,903	36,438,307	0
<b>TOTAL</b>	<b>26,011,989</b>	<b>32,841,404</b>	<b>3,596,903</b>	<b>36,438,307</b>	<b>0</b>

**CHANGE PACKAGE DETAIL****475 ND MILL AND ELEVATOR ASSOCIATION****Biennium: 2007-2009****Bill#: HB 1014****Date: 12/13/2006****Time: 12:06:13**

PROGRAM: FLOUR MILL AND GRAIN TERMINAL OPERATIONS		REPORTING LEVEL: 00-475-100-00-00-00-00000000			
Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds

**AGENCY BUDGET CHANGES**

Cost To Continue	.00	0	0	2,050,974	2,050,974
1 Additional positions	4.00	0	0	342,370	342,370
2 Inflation and volume increases	.00	0	0	461,200	461,200
3 Misc supplies	.00	0	0	160,500	160,500
4 Utilities	.00	0	0	1,358,900	1,358,900
5 Insurance	.00	0	0	-625,641	-625,641
6 Leases	.00	0	0	-40,000	-40,000
7 IT & Op Fees	.00	0	0	-11,400	-11,400
8 Ag Promo	.00	0	0	-100,000	-100,000
<b>Agency Total</b>	<b>4.00</b>	<b>0</b>	<b>0</b>	<b>3,596,903</b>	<b>3,596,903</b>